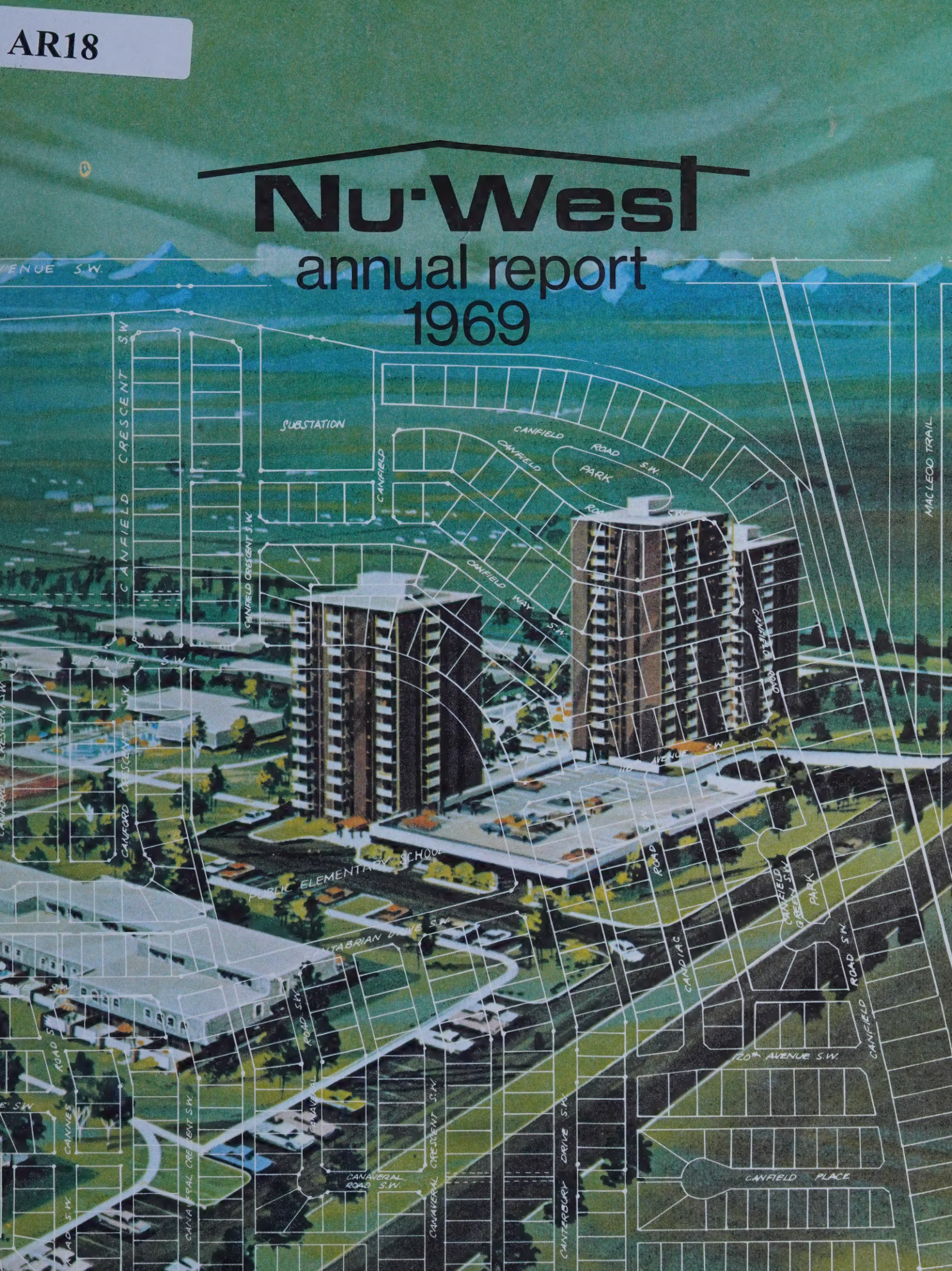
AR18

Nu·West

annual report 1969



Your Company's new head office building being constructed in Calgary.



NU-WEST HOMES LIMITED

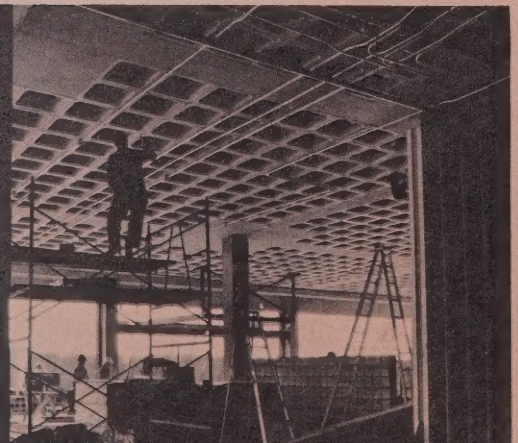
Head Office:
207 - 14th Street N.W.,
Calgary, Alberta, Canada.

Edmonton Office:
10534 - 124th Street,
Edmonton, Alberta, Canada

Transfer Agents and Registrars:
Montreal Trust Company,
Head Office: 755 Dorchester Blvd., West,
Montreal, P.Q., Canada.
Calgary Office: 522 - 8th Avenue S.W.

Auditors:
Winspear Higgins Stevenson & Doane,
Head Office: 800, 36 Toronto Street,
Toronto, Ontario, Canada.
Calgary Office: 209, 606 - 7th Avenue S.W.
Calgary, Alberta, Canada.









Highlights of Operations

	1969	1968	Percentage Change
Total Revenue	$18,577,371	13,823,435	+34%
Long Term debt	3,858,323	3,095,485	+25%
Bank Loans	631,344	910,000	—31%
Cash Flow from Operations	1,652,927	1,329,522	+24%
Net income after Current Income Tax and before Deferred Income Tax	1,575,783	1,291,642	+22%
Net Income after Current and Deferred Income Tax	1,070,387	866,118	+24%
Cash flow per Common Share from Operations	1.00	.80	+24%
Net Income per Common Share after Current Income Tax and before Deferred Income Tax	.96	.78	+22%
Net Income per Common Share after Current and Deferred Income Tax	.65	.52	+24%
Common Shares outstanding	1,650,000	1,650,000 (pro forma)	—

Net income as shown above does not include the Company's share of the net income attributable to investments in non-controlled companies as set out in Note 4 to the Financial Statements. For 1969, this income amounted to approximately 6¢ per common share of the Company.

COVER shows Canyon Glen, the townhouse and apartment complex which is now being constructed in south-west Calgary by Nu-West. Superimposed is part of the plot plan of Canyon Meadows, the sub-division being developed by Nu-West in which Canyon Glen is located.

Directors



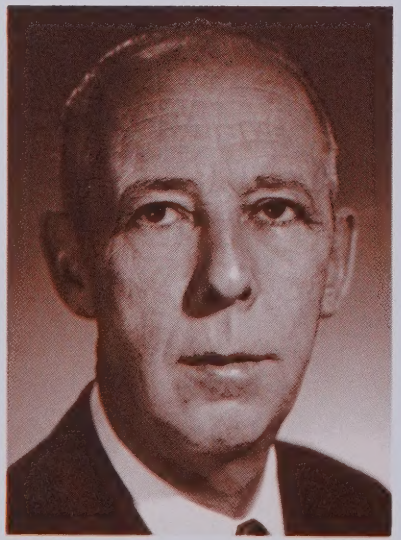
Ralph T. Scurfield, *B.Sc.,*
Calgary, Alberta.
President and Director.



C. J. McConnell, *P.Eng.,*
Edmonton, Alberta.
Vice-President and Director.



Gary D. Santini
Edmonton, Alberta.
Executive Vice-President
and Director.

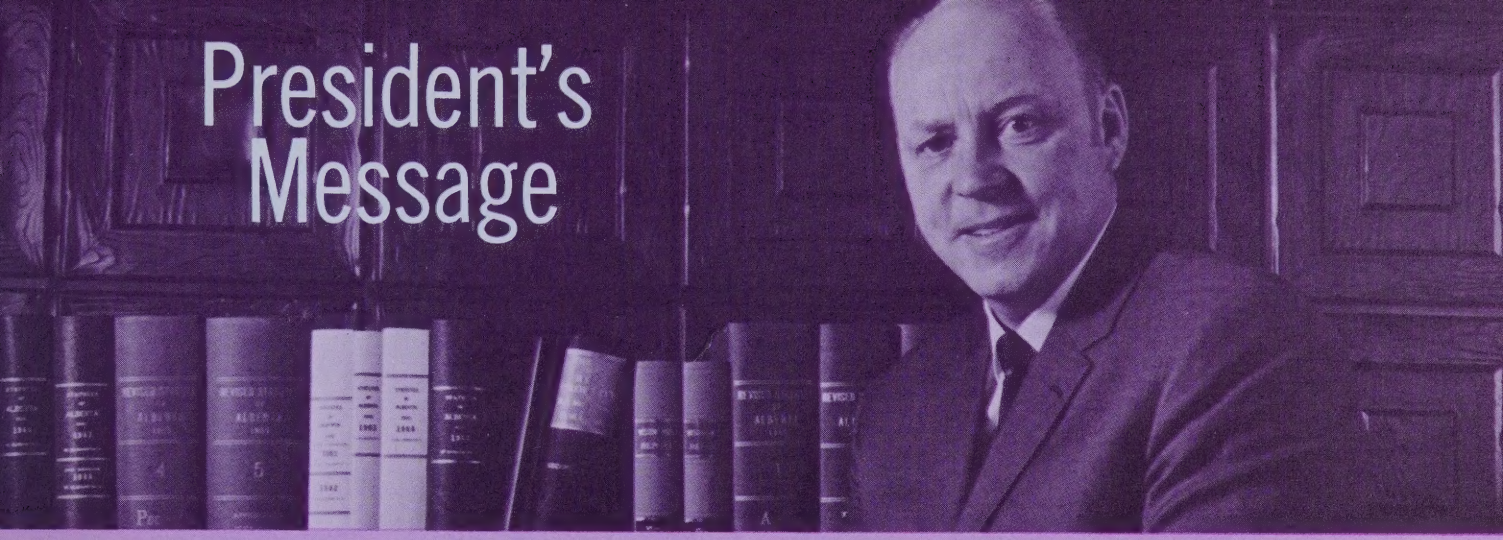


Olin E. Buker
Calgary, Alberta.
Director.



H. G. Field, *Q.C.,*
Edmonton, Alberta.
Director.

President's Message



Nu-West Homes Limited is dedicated to being the finest builder-developer in Canada — finest in value, design, and service to customers. The growth in Nu-West sales recorded by this first Annual Report is evidence of public response to the dedication of our staff.

The year 1969 marked a major expansion in metropolitan Edmonton — a city of dynamic growth. Fifty-four homes were started in the Edmonton area in 1969 and an additional three hundred starts are planned for 1970, along with active consideration of the potential for multi-family projects, land assembly and development.

Sales indicate a very good market for your Company's homes in the Edmonton area and reflect the value of Nu-West's reputation for excellence. This reaction indicates that a carefully controlled expansion to other Canadian cities can be achieved, with the referral business from satisfied customers bridging geographical distances.

Your Company undertook a major expansion of another kind in 1969. In the Dover subdivision of Calgary, Nu-West initiated a plan to provide young families with the kind of homes they need and can afford. This is not low cost housing as normally recognized. It is finely designed single-family housing on well-planned streets — with many units twinned to achieve economies in land use and using modern cost-saving construction techniques. The results are homes which bring better living to many families — especially young people, who in all probability will make this purchase the first of several Nu-West homes they will buy during their lifetimes. Your Company's homes in this new concept will, we expect, become an answer to the housing needs of many Canadians.

During the year your Company carried out a continuous research program aimed at improving construction efficiency and developing better methods and materials.

One of the most interesting experiments is a ten-unit pilot project utilizing completely factory pre-fabricated concrete foundations. These homes are now under construction.

Your Company looks forward to another record year in 1970. Land has been secured for approximately six hundred single-family units in Calgary and three hundred in Edmonton, including homes now under construction. Mortgage funds have already been arranged for the major portion of our 1970 program. Over five million dollars of contract work has been secured and more is expected from projects in the planning stage. Our land department has a program underway which virtually assures us of minimum land sales of two and one half million dollars. A zoning application has been made for a relocatable home park in Calgary. Land acquisition and planning for approximately two hundred apartment units — additional to our Canyon Glen project — have been accomplished.

The challenge of the future is to make housing desirable, attractive, worthwhile and available for every Canadian family. Reviewing the contributions and enthusiasm of our management and staff and observing the dedication which has made these contributions possible, we express to our shareholders confidence and enthusiasm for the future.

In closing . . . a word of thanks to the Nu-West family, whose conscientious efforts were principally responsible for the excellent results of the year. To each member of management, employee, shareholder, supplier — and especially our customers — we extend our gratitude for your support and loyalty.

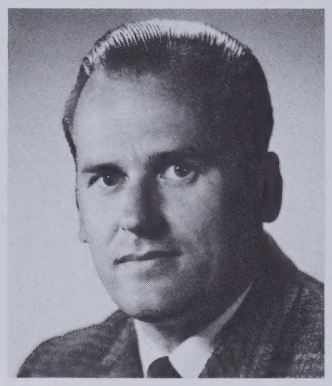
On behalf of the Board,

R. T. SCURFIELD,

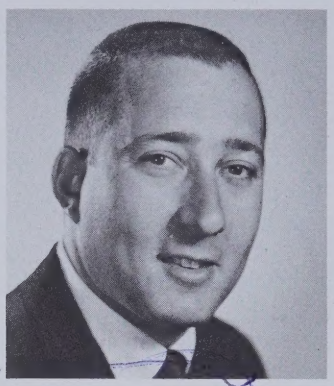
President.

Management

This page and others in the Report introduce members of your Company's management team.



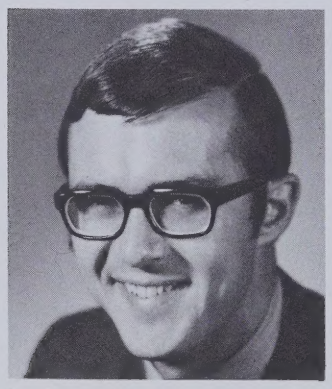
W. D. Mross
General Manager, Calgary Area



R. H. Perell, *C.A., Treasurer*



R. W. Davies
Assistant General Manager



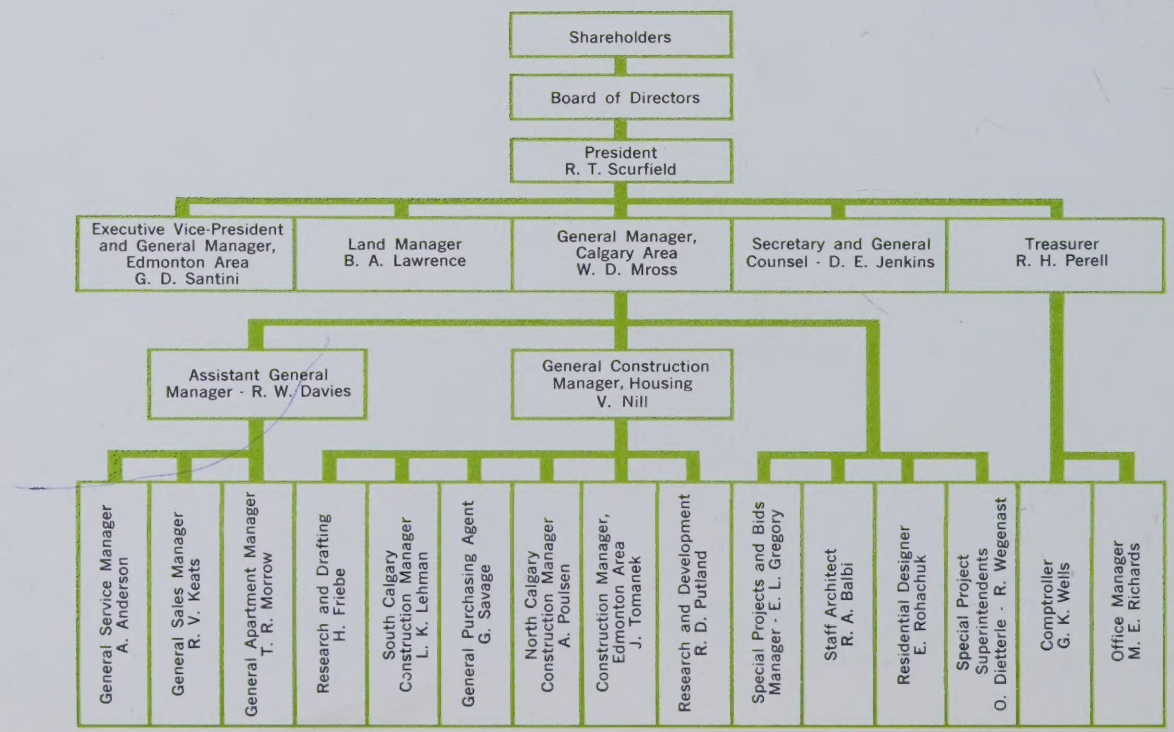
D. E. Jenkins, *B.A., LL.B., Secretary and General Counsel*



G. K. Wells, *B.Com., C.A., Comptroller*



M. E. Richards, *R.I.A., Office Manager*



Review of Operations

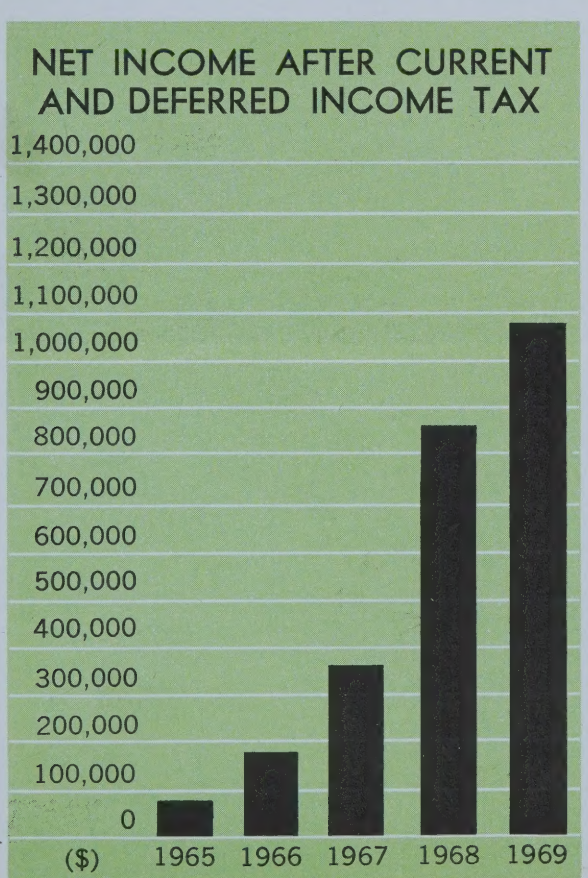
All of the operations of Nu-West Homes Limited increased in volume and profit during 1969. A major public underwriting of its shares was consummated, which assisted your Company in diversifying and expanding its operations. Marked growth was seen in the areas of land development, contracted projects and development of owned and managed rental properties.

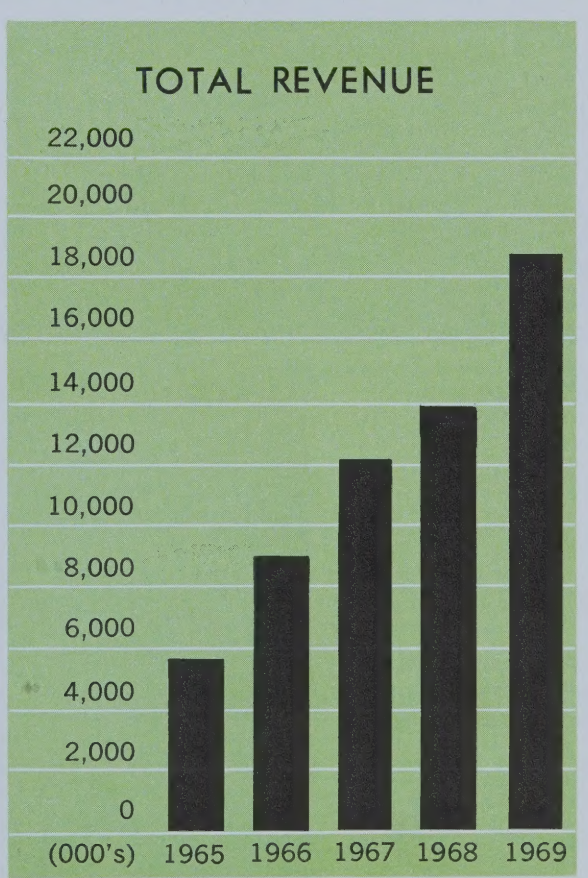
Net income increased by 24 per cent to $1,070,387 in 1969 from $866,118 in 1968. Gross revenue climbed to $18,577,371 from $13,823,435; rental revenue increased to $473,842 from $245,668, and housing sales to $14,909,710 from $12,561,704. Sales by the land development division, including both residential and commercial land, accounted for $1,704,280 in revenues. There are no comparable figures for the latter for 1968 as the land development division is a new division and sales did not commence until the final quarter of 1968.

Net income per share in 1969 is 65 cents, an increase of 13 cents or 24 per cent as compared to 52 cents net income per share in 1968, using the same share base.
It is estimated by management that the value of fixed assets and inventory including apartment buildings, serviced lots, land held for future development and shares of subsidiaries and partly-owned Companies, exceeds the book value by approximately $3,800,000.

One of Nu-West's major investments is in Carma Developers Ltd., Calgary's largest land development firm. Carma had another excellent year in 1969, with the highest sales and best financial results in its history. During 1969, Nu-West made arrangements to acquire all the shares of Lumber Jack Building Supplies Ltd. of Calgary. As well as adding personnel and other assets, this acquisition increases Nu-West's holdings of Carma shares. Your Company now holds more than 18 per cent of the shares of Carma.

Your Company is continuing its program of staff development. As well, additions made to Nu-West's management team during the year have given strength and depth to its organization and will contribute greatly to its ability to continue a strong growth pattern.

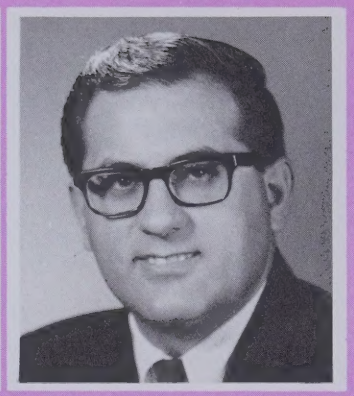




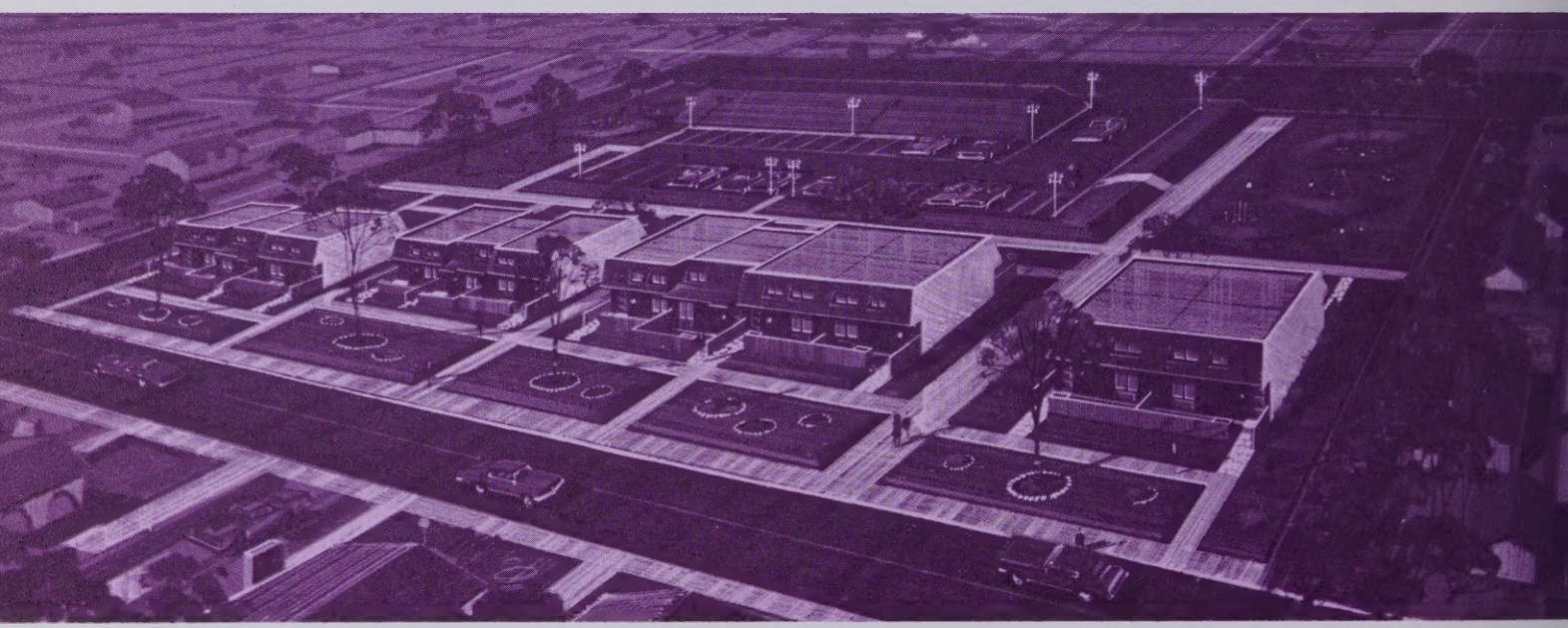
Contracted Projects and Public Housing



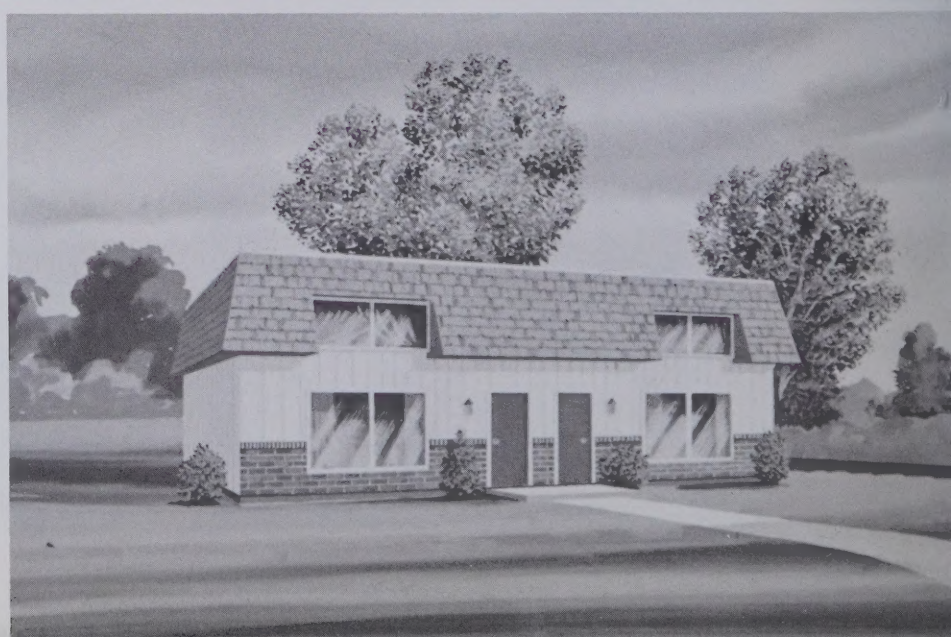
L. Gregory
P.Eng.,
Special Projects Manager



R. A. Balbi
B. Arch.,
Staff Architect



Public housing project under construction in Drumheller, Alberta.

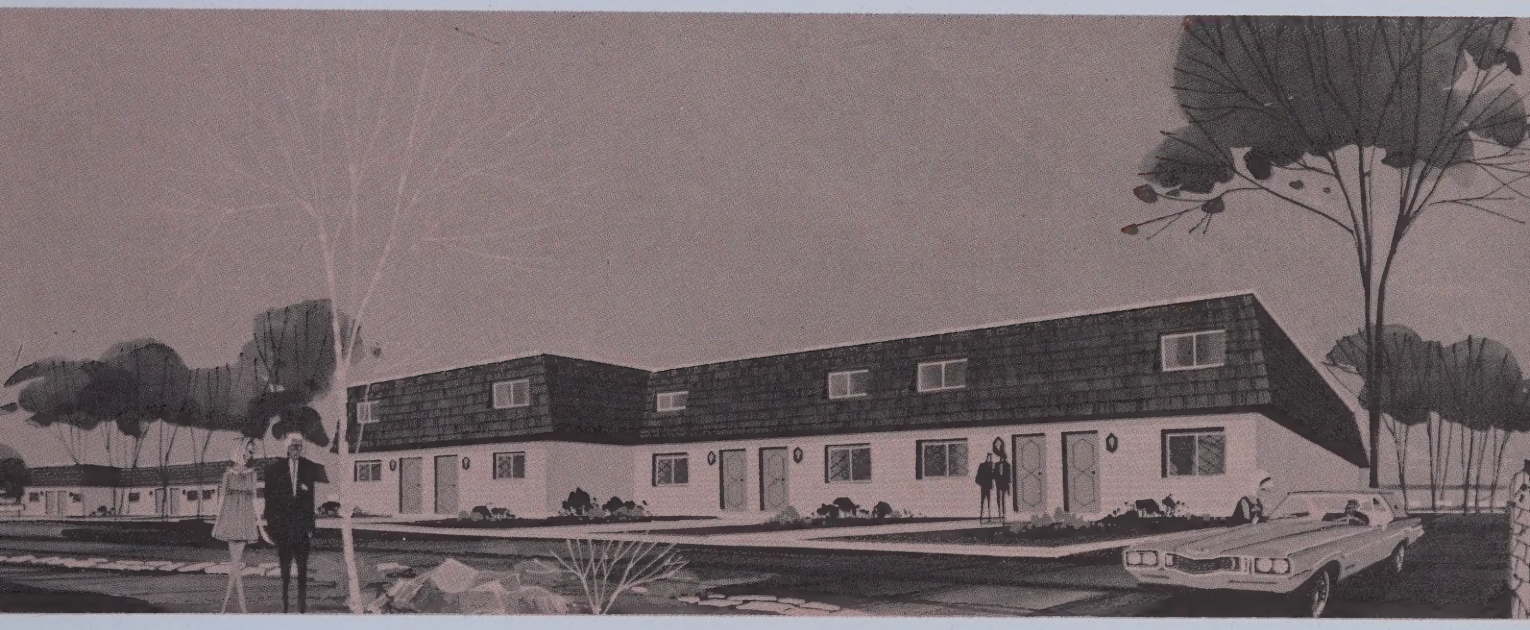


Proposed public housing units, City of Calgary.

Your Company is pleased to have been awarded the first contract for building married-student residences for the University of Calgary. The $3.7 million contract calls for construction of 250 residences. The first young families moved into the project in February of 1970.

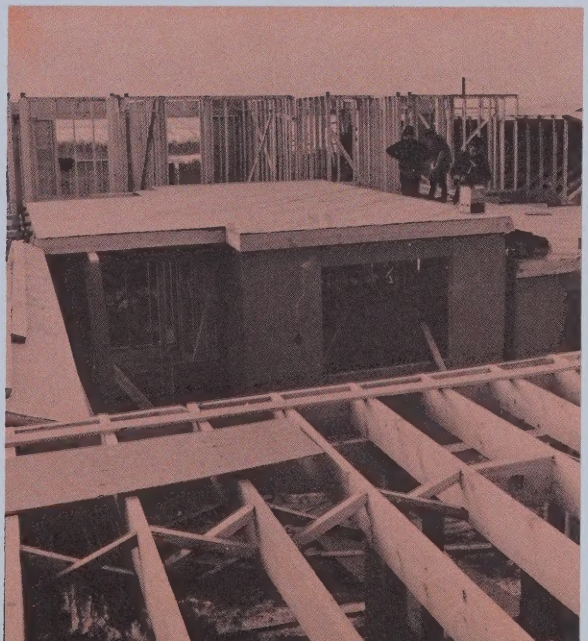
Ideally, a concerned and resourceful country will adequately house all of its people, regardless of their financial standing. Canada is taking some steps towards this goal, and in December, 1969, the federal government indicated that the majority of public funds allocated for housing in 1970 will be directed to housing for low and middle income Canadians. Public housing is new to Alberta, but Nu-West, confident of expanding its participation in government housing contracts, is equipped to move rapidly.

With the experience gained in work already undertaken, Nu-West is convinced that by utilizing modern skills and technology and with the advantages of proper planning and control, good quality low cost housing can be produced economically.



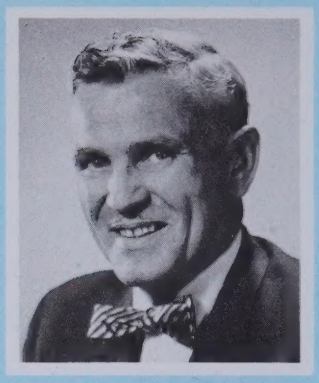
Proposed 87-unit condominium project, Dover area, Calgary.





250-unit married-student residence being constructed for the University of Calgary.

Land Development and Assembly



B. A. Lawrence
B.Sc., P.Eng., ALS,
Land Manager

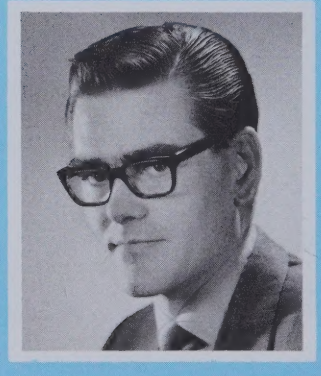
The Nu-West Land Development and Assembly Division was organized in April, 1968. This was a natural expansion for Nu-West as the Company had established a clear pattern of requiring an increasing number of residential lots each year. The division now owns or controls approximately 760 acres of undeveloped land, of which it is planned to develop approximately 200 acres in 1970.

In the first few months of the division's operations in 1968, 233 lots were developed. In 1969 an additional 330 lots were developed — and the projection for 1970 is for development of 559 lots. Therefore at the end of 1970, after only a little more than two years of operation, the division will have developed more than 1,100 lots.

Revenue from the sale of land is recorded on closing. No profits are recorded on conditional sales or option agreements. In accordance with this accounting policy, only 30 lot sales were recorded for revenue purposes in 1968 and 237 in 1969.

Your Company has embarked on an aggressive land acquisition policy. Land acquisitions have been made in the Edmonton area and further parcels are under study. Land has been purchased for a proposed 250-unit relocatable home site in Calgary.

Income Properties



T. R. Morrow
General Apartment
Manager

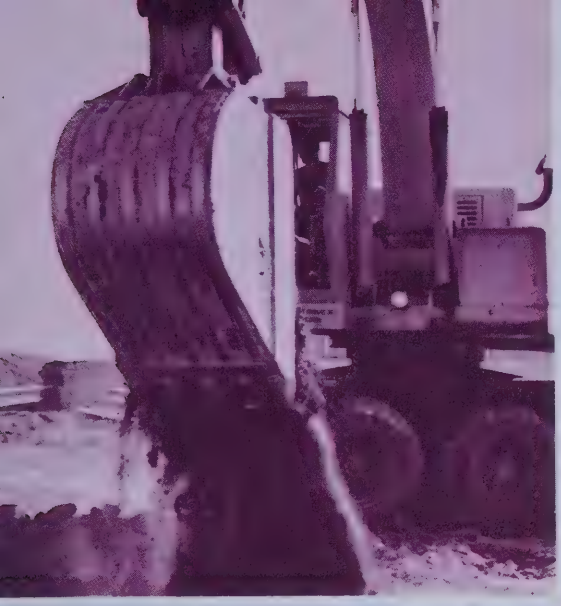
The year 1969 marked your Company's entry into large-scale apartment development and ownership. By the end of the year, a rental revenue level had been achieved exceeding $600,000 per annum.

Your Company's investment in rental properties is being re-deployed from duplexes and smaller apartment buildings into large scale apartment and townhouse projects. In line with this policy, one small apartment building and other small properties were sold during 1969. At the same time, the 172-unit Cedarbrae Apartments were completed. The spacious Cedarbrae garden apartments are set in a park-like urban atmosphere in north-west Calgary, and are conveniently close to the downtown core and to shopping and cultural facilities.

Currently, the main income property under development by your Company is the 450-unit Canyon Glen townhouse and apartment complex. This three-phase project is a joint venture with the Dominion Life Assurance Co. The first phase, consisting of 90 townhouse units, is nearing completion and the first units are being rented. The start on construction of the second phase is planned for the first half of 1970.

Nu-West is constructing a new office building located at 301 - 14th Street N.W., Calgary. The building will accommodate the Company's head office personnel and will have space available for rental purposes.

CEDARBRAE — 172-unit apartment complex completed in 1969 in Calgary, built and owned by Nu-West













NU-WEST . . . One of The Largest Home Builders in Canada



V. Nill
General Construction Manager, Housing



A. Poulsen
North Calgary Construction Manager



L. K. Lehman
South Calgary Construction Manager



R. H. Keats
General Sales Manager



R. D. Putland
B.Sc., P.Eng.
Research and Development







A continued high level of single-family unit starts was maintained throughout 1969 by your Company, and an adequate supply of mortgage financing allowed steady activity in the final quarter of the year. As one of Canada's most reputable homebuilders, your Company has enjoyed excellent support from lenders in securing mortgage commitments for its speculative building program. A mortgage manager has been employed to concentrate on arranging for mortgage funds from the lending institutions. The Nu-West practice of building homes on a pre-sold basis eliminates the necessity of speculative mortgages for a portion of the building program. About 20 per cent of the homes built in 1969 were pre-sold. Based on mortgage commitments, an order backlog of pre-sold homes, and units presently in inventory or under construction, Nu-West expects to sell more homes in 1970 than in any year in its history.

Construction of homes of all sizes and types from $16,000 to $50,000 and up continued throughout the year. In all, Nu-West sold 615 homes in 1969 and accounted for 590 of the new home starts in Calgary in 1969.





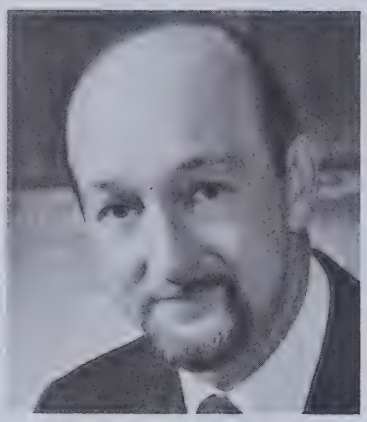






Expansion in Edmonton Area





J. Tomanek
Construction Manager,
Edmonton Area

G. D. Santini
Executive Vice-President
and General Manager,
Edmonton Area

Your Company's first major geographical expansion was undertaken in the closing quarter of 1969 in the Edmonton market. As an indication of the high value your Company places upon this market, Nu-West's Executive Vice-President, Gary D. Santini, was transferred to Edmonton, and, as general manager for Edmonton, is in charge of all operations in that area.

The initial expansion into Edmonton saw a start on 54 homes in the Edmonton satellite town of Sherwood Park, and has been followed by a continuing program of construction. The show homes, which opened February 27, 1970, demonstrate the fine standards to which the Edmonton Nu-West homes are being built. Some 300 lots have been acquired in Edmonton and mortgage funds have been arranged to ensure a substantial program for 1970.

The Edmonton operation made no contribution to sales or income in 1969 but is expected to make a major contribution in 1970.









NU-WEST HOMES LIMITED AND SUBSIDIARIES
COMPARATIVE SCHEDULE OF OPERATING RESULTS

	1965	1966	1967	1968	1969
Revenue					
Sales	$5,521,666	$8,542,486	$11,696,539	$13,080,367	$17,586,631
Rentals	116,419	131,512	141,476	245,668	473,842
Other	112,018	280,103	288,609	497,400	516,898
Total Revenue	5,750,103	8,954,101	12,126,624	13,823,435	18,577,371
Cost of Sales and other Operating Expenses	5,575,052	8,606,097	11,381,929	12,029,539	16,185,216
Depreciation	35,432	38,633	33,220	37,880	77,144
	5,610,484	8,644,730	11,415,149	12,067,419	16,262,360
Net Income before under-noted items	139,619	309,371	711,475	1,756,016	2,315,011
Interest on long-term debt	43,593	44,209	65,193	84,732	210,193
Amortization	—	—	—	—	5,072
	43,593	44,209	65,193	84,732	215,265
Net income before income taxes	96,026	265,162	646,282	1,671,284	2,099,746
Current income taxes	10,994	65,244	223,788	379,642	523,963
Net income before deferred taxes	85,032	199,918	422,494	1,291,642	1,575,783
Deferred income taxes	10,479	17,254	59,471	425,524	505,396
Net Income	74,553	182,664	363,023	866,118	1,070,387

ACCOUNTING POLICIES

House Sales — Revenue from the sale of a house is recorded at the time of acceptance of the completed home by the purchaser.

Land Sales — Revenue from the sale of land is recorded on closing. No profits are recorded on conditional sales or option agreements.

Land Costs — Land held for development is recorded at cost plus interest on debt and property taxes. The cost of land is prorated over the saleable acreage in that area. Development costs are averaged over the acreage to which they relate.

Interest applicable to subdivision development and property taxes applicable to developed lots are charged to operations as incurred.

Apartment and Commercial Contracts — Revenue on cost plus contracts is recorded on a progress basis. Revenue on fixed contracts is recorded only on projects completed or substantially completed (over 90%). In cases where large projects are completed in phases, revenue is recorded on completion or substantial completion of each phase.

Income Properties — Income producing properties developed by the company are shown at cost by the Company, including interest costs during the period of construction.

Rental Revenue — Revenue from rental properties is recorded as earned.

Depreciation — See Note 6 to Financial Statements.

Deferred Income Taxes — See Note 9 to Financial Statements.

Cost Control — All construction and development is subject to a system of budget controls which are strictly applied. Broadly, these controls incorporate an approved budget for each project broken down into cost categories, monthly posting of costs by category to individual master cost sheets, a monthly print-out of budget overages and underages together with monthly reviews carried out by the construction or development manager. The accounting part of this system is fully mechanized through the use of computer input equipment and a computer service bureau.

NU-WEST HOMES LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
DECEMBER 31, 1969

ASSETS	1969	1968
Current		
Cash	$ —	$ 1,795
Receivables, mortgage companies and customers	1,159,356	761,682
Work in progress, completed and under construction, including land, at cost	6,456,144	5,467,839
Materials on hand, at the lower of cost and net realizable value	129,659	120,753
Developed construction sites, at cost	2,241,595	551,336
Subdivisions under development, including development costs, at cost (Note 13)	1,661,526	758,300
Deposits on developed construction sites (Note 3)	264,990	70,000
Prepaid expenses and performance deposits	413,087	90,872
	12,326,357	7,822,577
Investments (Note 4)	664,847	204,303
Land held for development (Note 5)	1,755,702	631,160
Option deposits on land held for development	95,848	36,000
Rental property under construction, at cost to date (Note 13)	200,046	—
Rental properties, at cost less accumulated depreciation 1969 - $90,471; 1968 - $65,350 (Note 6)	3,453,511	2,990,374
Other buildings and equipment, at cost less accumulated depreciation 1969 - $117,182; 1968 - $92,166	151,175	78,368
Organization and financing costs, less amortization	45,652	—
Excess of cost of shares of subsidiary company over book value thereof at date of acquisition (Note 11)	—	83,503
	$18,693,138	$11,846,285

ON BEHALF OF THE BOARD



Director



Director

LIABILITIES	1969	1968
Current		
Bank loan	$ 631,344	$ 910,000
Payables and accruals	4,273,428	3,242,800
Mortgage advances and customer deposits on houses under construction	2,831,378	1,968,974
Current principal instalments on mortgages and agreements	271,060	21,725
Income taxes payable	27,540	225,266
	8,034,750	6,368,765
Payable on land held for development (Note 8)	971,952	576,799
Mortgages payable on rental properties (Note 7)	2,886,371	1,981,732
Note payable	—	30,000
Debentures and loans payable to shareholders	—	506,954
	11,893,073	9,464,250
Deferred income taxes (Note 9)	1,073,498	568,102
SHAREHOLDERS' EQUITY		
Share capital (Notes 1, 10 and 14)		
Authorized 3,000,000 shares without nominal or par value not to exceed $10,000,000		
Issued 1,650,000 shares for a consideration of	2,933,196	948
Retained earnings (Note 11)	2,793,371	1,812,985
	5,726,567	1,813,933
	$18,693,138	$11,846,285

The accompanying notes form part of this statement.

NU-WEST HOMES LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

YEAR ENDED DECEMBER 31, 1969

	1969	1968
Revenue		
Sales	$17,586,631	$13,080,367
Rentals	473,842	245,668
Other	516,898	497,400
Total revenue	18,577,371	13,823,435
Cost of sales and other operating expenses	16,185,216	12,029,539
Depreciation (Note 6)	77,144	37,880
	16,262,360	12,067,419
Net income before the undernoted items	2,315,011	1,756,016
Interest on long-term debt	210,193	84,732
Amortization of organization and financing costs	5,072	—
	215,265	84,732
Net income before income taxes	2,099,746	1,671,284
Current income taxes	523,963	379,642
Net income before deferred income taxes	1,575,783	1,291,642
Deferred income taxes (Note 9)	505,396	425,524
Net income	1,070,387	866,118
Retained earnings, January 1	1,812,985	928,093
Adjustment arising from the inclusion of a former subsidiary in the amalgamation (Note 11)	(90,001)	—
Adjustment to prior years' depreciation net of deferred income taxes (Note 11)	—	18,774
Retained earnings, December 31	$ 2,793,371	$ 1,812,985

The accompanying notes form part of this statement.

NU-WEST HOMES LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

YEAR ENDED DECEMBER 31, 1969

Source of funds	
Net income	$1,070,387
Depreciation	77,144
Deferred income taxes	505,396
Funds from operations	1,652,927
Issue of shares	2,925,750
Proceeds of mortgages on rental properties	904,639
	5,483,316
Application of funds	
Increase in land held for development	789,237
Increase in investments	460,544
Additions to rental properties and other buildings and equipment	813,134
Retirement of notes and debentures	536,954
Organization and financing expenses	45,652
	2,645,521
Increase in working capital	$2,837,795

AUDITORS' REPORT

To the Shareholders

We have examined the consolidated balance sheet of Nu-West Homes Limited and its subsidiaries as at December 31, 1969 and the consolidated statements of income and retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the companies as at December 31, 1969 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principals applied on a basis consistent with that of the preceding year, except for the change, of which we approve, described in Note 6.

CALGARY, Alberta
March 6, 1970

Winspear, Higgins, Stevenson and Doane
Chartered Accountants

NU-WEST HOMES LIMITED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 1969

1. The Company

On April 24, 1969, the Company was formed as a public company as the result of an amalgamation under Section 140a of The Companies Act (Alberta). The companies which were amalgamated are as follows:

Nu-West Homes Limited
Calgary Construction Products Ltd.
Nu-West Homes (Calgary) Ltd.
C. J. McConnell Enterprises Limited
Lee Holdings Limited
Scurfield Holdings Limited

On amalgamation, 3,000,000 common shares without par value were authorized and the outstanding shares of the predecessor companies were converted to 1,235,000 issued and outstanding shares of the Company. On July 7, 1969, 415,000 shares were issued for a cash consideration of $2,925,750.

2. Principles of Consolidation and Accounting Presentation

(a) The amalgamation referred to in Note 1 has been treated for accounting purposes as a pooling of interests and accordingly, the consolidated financial statements combine the accounts of the predecessor companies in 1968, and in 1969 for the period to April 24.

(b) The consolidated financial statements include the assets and liabilities and the results of operations of the wholly owned subsidiaries, Nu-West Investments Ltd. and Calgary Construction Products Co. Ltd.

(c) The consolidated financial statements do not include the assets and liabilities and the results of operations of Lumber Jack Building Supplies Ltd. for the reason that the acquisition of this company had not been completed at December 31, 1969. (Note 14).

(d) At December 31, 1968, the financial statements of certain of the predecessor companies were prorated to December 31 fiscal year ends.

3. Deposits on Developed Construction Sites

To acquire the construction sites under option, an additional expenditure of $1,229,981 (1968 - $288,653) will be required.

4. Investments

	1969	1968
Carma Developers Ltd. and its affiliates		
Common shares, at cost	$ 28,870	$ 28,870
8% debentures, due during the period 1970 to 1978, at cost	162,700	162,700
Other, common shares and advances, at cost (Notes 13 and 14)	45,414	-
	236,984	191,570
Mortgages on houses sold by the Company, less amounts due within one year	427,863	12,733
	$664,847	$204,303

The Company's share of the net income after income taxes attributable to its investments in non-controlled companies, Canyon Glen Developments Limited, B. A. Lawrence & Associates Limited, and Carma Developers Limited and its affiliates, amounted to $108,594 for 1969. This amount has not been recorded as income in the financial statements. No dividends were received from these companies.

5. Land Held for Development

Land held for development is stated at the cost of land plus interest and real estate taxes which pertain to the land. A small parcel of partially developed land has been reduced to estimated realizable value.

6. Depreciation Policy

The Company has adopted the sinking fund method of accounting for depreciation of buildings included in rental properties. This method is based on an estimated useful life and will write off the costs of a building in a series of annual instalments increasing at the rate of 5% compounded annually. Under this method depreciation charged to income in later years will be substantially higher than the amount charged in earlier years. The estimated useful life of rental properties is as follows:

Office and major apartment buildings	—	50 years
Townhouses and smaller rental units	—	40 years

Other buildings and equipment are depreciated on the diminishing balance basis at rates of 30% per year for construction buildings and equipment and 20% per year for equipment supplied with rental properties, office and other equipment.

The above methods of accounting for depreciation are reflected in the accompanying consolidated financial statements for the years ended December 31, 1969 and 1968.

The change to the sinking fund method of accounting for depreciation has resulted in the restatement of accumulated depreciation and an adjustment to prior years' earnings of $29,188. The effect of this change has been to increase 1969 earnings by $28,083 after income taxes (1968 - $10,414).

7. Mortgages on Rental Properties

	1969	1968
6½% due 1987	$ —	$ 77,556
6½% due 1987	74,663	77,212
6¾% due 1989	184,646	187,303
7% due 1982	32,685	33,885
7% due 1993	553,594	554,602
7% due 1990	15,651	16,279
8½% due 1994	88,875	159,375
8-5/8% due 1999	1,970,057	897,245
	2,920,171	2,003,457
Less: Payable within one year	33,800	21,725
	$2,886,371	$1,981,732

8. Payable on Land Held for Development

	1969	1968
Payable on land held for development consists of the following agreements for sale		
Payable on or before June 15, 1974 without interest	$ 196,151	$ —
6% payable in annual instalments of $50,000, including interest	419,061	—
Payable in annual instalments of $47,800, without interest	239,000	—
Payable in two equal instalments on July 2, 1970 and January 2, 1971, without interest	200,000	—
9% payable in annual instalments of $51,666	155,000	—
4% increasing 1% annually to a maximum of 9% in 1974, repayable on or before December 31, 1974	—	576,799
	1,209,212	576,799
Less: Payable within one year	237,260	—
	$ 971,952	$ 576,799

The Company may prepay the agreements at its option.

9. Deferred Income Taxes

Deferred income taxes are recorded with respect to capital cost allowances claimed for income tax purposes in excess of depreciation recorded in the accounts and with respect to deferred utility costs expended on the development of subdivisions, interest and real estate taxes on undeveloped land, and financing costs which have been claimed as expense deductions for income tax purposes.

10. Share Options

The Company has granted options on 105,000 shares at a price of $6.75 per share to certain directors, senior officers and other employees of the Company. The options granted are for a five year period but exercisable as to not more than 35% in any one year by each optionee. All options will expire in 1974.

11. Retained Earnings

During 1969, the Company adopted the sinking fund method of accounting for depreciation as outlined in Note 6. As a result of this change consolidated retained earnings at December 31, 1968 increased by $29,188 after income taxes. Of this amount $10,414 is applicable to 1968 and has been reflected in the appropriate accounts in the consolidated statement of income , the balance of $18,774 is applicable to years prior to 1968 and has been credited to retained earnings.

The consolidated statement of retained earnings gives effect to the following adjustments arising from the inclusion of a former subsidiary in the amalgamation as described in Note 1.

Excess of cost of shares of former subsidiary over book value thereof at date of acquisition	$83,503
Share capital of former subsidiary previously eliminated upon consolidation	6,498
	$90,001

12. Remuneration to Directors and Senior Officers

The aggregate direct remuneration of directors and senior officers amounted to $227,536 for the year ended December 31, 1969.

13. Contingent Liabilities and Commitments

(a) The cost to complete the rental property under construction is estimated at $448,000. The Company will occupy a portion of the premises. No mortgage financing has been arranged. The Company is presently negotiating a sale, lease back arrangement with respect to the property.

(b) The Company is committed to expend an estimated $1,281,700 to complete subdivisions under development. These commitments arise from development agreements entered into with the City of Calgary.

(c) The Company is committed to contribute 49% of the equity required by Canyon Glen Developments Limited to finance the first phase, consisting of 90 units, of the Canyon Glen Apartment Project. This commitment is estimated at $127,900.

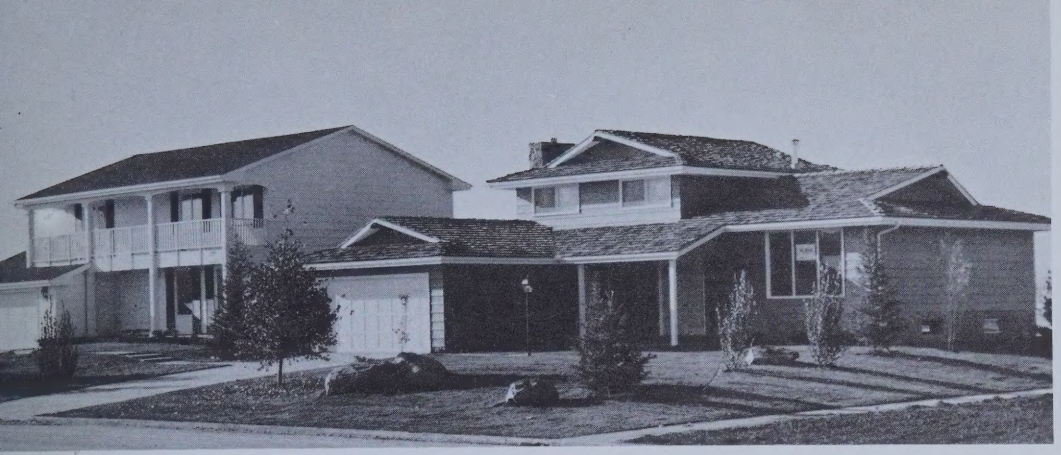
(d) During the last three months of 1969 the Company sold homes giving the purchasers the right to require the Company to repurchase the home within one year for an amount approaching the original purchase price. Approximately 20% of the sales made in 1969 were subject to this plan.

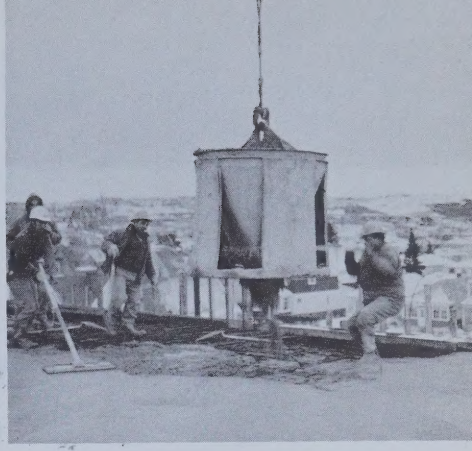
14. Subsequent Events

(a) On October 30, 1969, the Company entered into an agreement to acquire all of the issued and outstanding shares of Lumber Jack Building Supplies Ltd. for consideration which included issuing and allotting 21,097 shares without nominal or par value of Nu-West Homes Limited.

By a resolution of the directors of the Company dated January 22, 1970, 21,097 shares without nominal or par value of the Company were allotted.

(b) By directors' resolution dated January 23, 1970, a further 5,000 shares without nominal or par value were allotted with respect to the share option agreement referred to in Note 10.











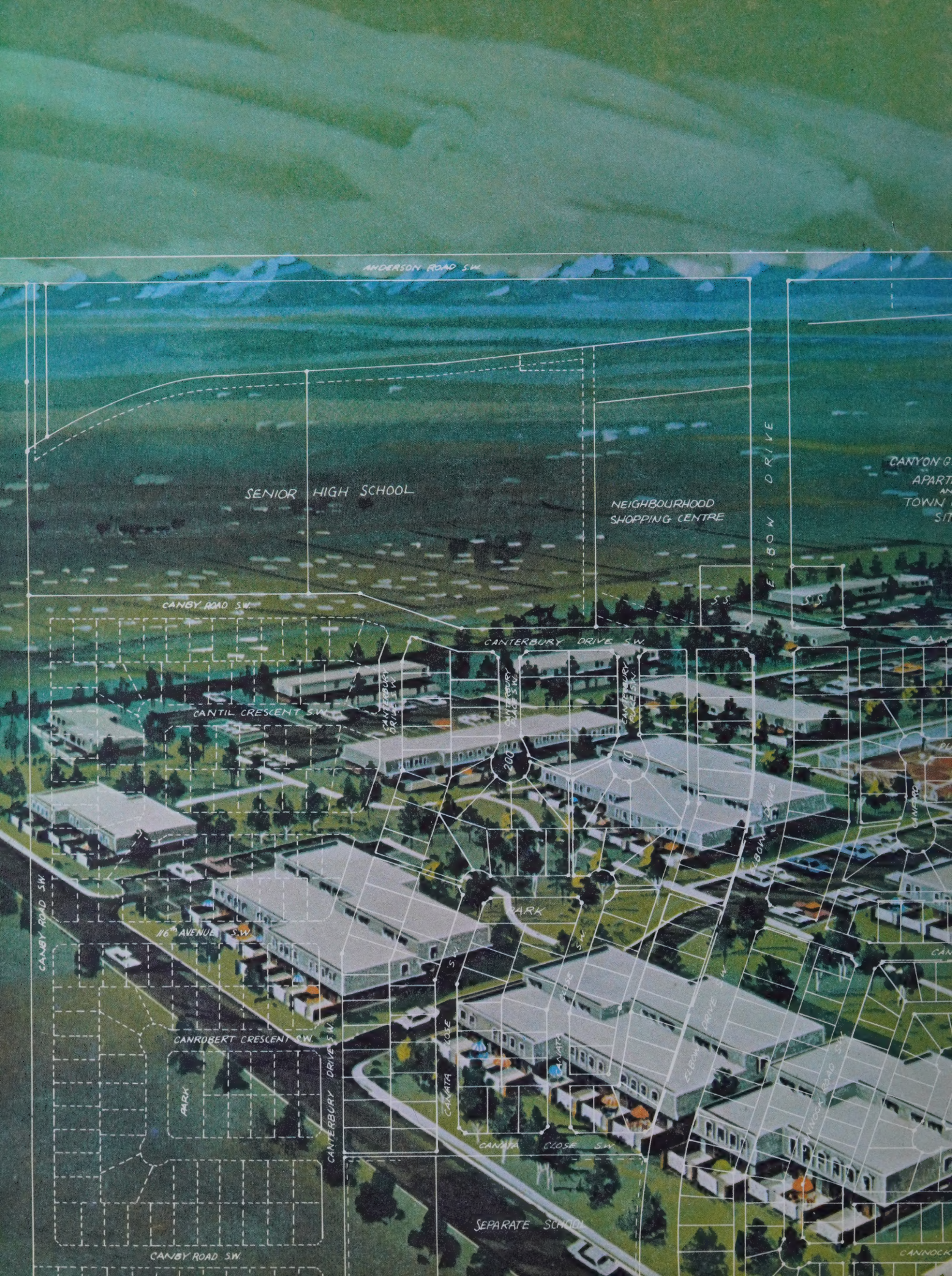











ANDERSON ROAD S.W.
SENIOR HIGH SCHOOL
NEIGHBOURHOOD SHOPPING CENTRE
ELBOW DRIVE
CANYON G
APART
AN
TOWN
SIT
CANBY ROAD S.W.
CANTERBURY DRIVE S.W.
CANTIL CRESCENT S.W.
CANTERBURY DRIVE S.W.
CANTERBURY COURT S.W.
CANTERBURY DRIVE S.W.
200
CANTERBURY
ELBOW DRIVE
PARK
CANBY ROAD S.W.
116th AVENUE S.W.
S.W.
CANROBERT CRESCENT S.W.
CANTERBURY DRIVE S.W.
PARK
CANATA CLOSE
CANATA CLOSE S.W.
ELBOW DRIVE S.W.
CANNOCK ROAD S.W.
SEPARATE SCHOOL
CANBY ROAD S.W.
CANNOCK